

November 16, 2004

Dear Qualifying Referendum Voter:

Re: BSAI Crab Fishing Capacity Reduction Program  
Second Referendum

The BSAI crab fishing capacity reduction program's second referendum was successful.

The industry fee system necessary to repay what will be a \$97,399,357 reduction loan has, consequently, been approved.

We have notified all bidders that we have either accepted or rejected their bids.

November 15, 2004, was the last day for us to have received your cast referendum ballots. Through that date, we received 273 responsive ballots from 87.22% of the qualified voters. 79.49% of the responsive ballots were for the industry fee system; 20.51% of them were against it. Consequently, the votes for the industry fee system exceeded the minimum (i.e., two thirds of all cast ballots) required for a successful referendum.

We will, on or about, November 22, 2004, publish a reduction payment tender notice in the Federal Register. This notice will disclose the name of each of the 25 accepted bidders, the name of each of their reduction vessels, and the license number and nature of each of their reduction permit or permits.

Thirty days after we publish the reduction payment tender notice, we intend to tender reduction payment to the accepted bidders. This will occur on or about December 22, 2004. Our tender of reduction payment to the accepted bidders is the point at which we will permanently revoke the accepted bidders' reduction permits, permanently restrict the privileges of the accepted bidders' reduction vessels privileges to fish anywhere in the world, and permanently revoke the catch histories which gave rise to the accepted bidders' reduction permits. From that point forward, the accepted bidders must permanently cease all fishing with their reduction vessels and/or under their reduction permits. The accepted bidders' reduction vessels and reduction permits will not, consequently, be involved in the 2005 BSAI opilio season opening on January 15, 2005.

Each of the accepted bidders must also retrieve and return ashore all gear still in the water and either deployed by, or belonging to, the accepted bidder's reduction vessel.

Post-reduction crab harvesters in the six fee-paying BSAI crab fisheries will not begin paying the fees on post-reduction crab landings until after we have proposed and adopted a fee payment and collection regulation. Accordingly, fee payment will most likely not begin until sometime during the second quarter of calendar year 2005.

Please do not hesitate to contact us, at the following numbers and addresses, if you need further reduction information of any kind:

PERSON	NUMBERS/ADDRESS	
	TELEPHONE (301) 713-2390	E-MAIL ADDRESS
Mike Sturtevant	Extension 212	michael.a.sturtevant@noaa.gov
Shawn Barry	Extension 186	shawn.barry@noaa.gov
Mike Grable	Extension 185	michael.grable@noaa.gov

Thank you for your participation in the Bering Sea crab fishing capacity reduction program. This has proven to be a difficult program to implement, and we thank you for your patience and understanding during the many long months involved.

We look forward to providing further fee payment and collection guidance at the appropriate point.

Sincerely,

Michael L. Grable, Chief  
Financial Services Division